

## **WIRRAL COUNCIL**

### **FAMILIES AND WELLBEING POLICY & PERFORMANCE COMMITTEE**

**8 SEPTEMBER 2015**

<b>SUBJECT</b>	<b>FINANCIAL MONITORING 2015/16 QUARTER 1 (APRIL - JUNE 2015)</b>
<b>WARD/S AFFECTED</b>	<b>ALL</b>
<b>REPORT OF</b>	<b>ACTING SECTION 151 OFFICER</b>

## **1 EXECUTIVE SUMMARY**

1.1 This report sets out the financial monitoring information for Families and Wellbeing in a format consistent across the Policy and Performance Committees. The report aims to give Members the detail to scrutinise budget performance for the Directorate. The financial information is for Quarter 1 (April-June 2015) and was reported to Cabinet on 27 July.

## **2 BACKGROUND AND KEY ISSUES**

2.1 Members of the Policy and Performance Committees have previously requested that financial monitoring information is provided as a standard item at each Committee.

2.2 Since September 2012 regular revenue and capital monitoring reports have been submitted to Cabinet as a means of providing, detailed updates on budget performance.

2.3 The Coordinating Committee has agreed that in order to fulfil its corporate and strategic scrutiny role, it will continue to review the full versions of the most up to date monitor reports at its scheduled meetings.

2.4 The relevant sections from the most recent revenue and capital monitoring reports reported to Cabinet are summarised into a bespoke report for each Policy and Performance Committee and include the following:

- Performance against the revenue budget
- Performance against in year efficiency targets
- Performance against the capital budget

### 3 PERFORMANCE AGAINST REVENUE BUDGETS QUARTER 1 (APRIL-JUNE 2015)

#### 3.1 Changes to the agreed Families and Wellbeing Budget for 2015-16

	Original Net Budget	Approved Budget Changes Prior Mths	Approved Budget Changes Quarter 1	Proposed Budget Changes Quarter 1	Revised Net Budget
FWB - Adult Social Care	68,305	-	134	2800	71,239
FWB – Children & Young People,	67,964	-	141	4400	72,505
FWB - Further Areas: Safeguarding, Schools, Leisure, Public Health	7,956	-	431	400	8,787
Net Cost of Services	144,225	-	-	7600	151,825

3.1.1 The approved budget changes take account of the following adjustments:

- the completion of remodelling and restructuring of Council services
- adjustments between Children & Young People and Regeneration & Environment
- the allocation of Corporate Growth, Savings and Grant budgets
- the implementation of the Social Worker Progression Framework.

3.1.2 The Proposed Budget changes of £7.6m relate to the review of the savings programme within Families and Wellbeing and a realistic assessment of the deliverability of the savings totalling £22m in the current financial year. These are described later in the report.

3.1.3 The Chancellor of the Exchequer announced on 4 June 2015 a series of in year savings to Government Department budgets. Whilst the Local Government Finance Settlement for 2015/16 remains unchanged there are reductions in other areas, the details and any implications of which are still awaited. It is estimated that the reduction in the Department of Health resources may result in an in-year reduction in Wirral's Public Health Grant of up to £2.4 million.

#### 4.2 BUDGET VARIATIONS

4.2.1 The report will use RAGBY ratings that highlight under and overspends and place them into 'risk bands'. The 'risk band' classification is:

- Extreme: Overspends - **Red** (over +£301k), Underspend **Yellow** (over - £301k)
- Acceptable: Amber (+£141k to +£300k), Green (range from +£140k to - £140k); Blue (-£141k to -£300k)

#### 4.2.2 2015/16 Projected Budget variations £000's

Directorates	Revised Budget	Forecast Outturn	(Under)	RAGBY Class	Change from prev
			Overspend		
			Quarter 1		
FWB - Adult Social Care	71,239	73,670	2,431	R	
FWB – Children & Young People	72,505	74,505	2,000	R	-
FWB - Further Areas: Safeguarding, Schools, Leisure, Public Health	8,787	8,787	0	G	
<b>TOTAL</b>	<b>152,531</b>	<b>156,962</b>	<b>4,431</b>		-

#### 4.2.3 Adult Social Services

There are demand pressures of £2.4 million within a number of Community Care areas. Further work is being undertaken to confirm the projection and identify mitigating actions. There is also a shortfall of £2.8 million relating to delays in the implementation of a number of savings projects which are detailed in para 5.2.

To assist with budget delivery, a number of projects are being supported by the Improvement and Transformation Team. The review of savings plans will identify any further changes or mitigation. An Implementation Board has been established to review Day Services and challenge the financial targets. Ongoing work will analyse the causes and impact of service demand pressures.

#### 4.2.4 Children and Young People

There are demand pressures of £2.9 million relating to commissioned services for Children Looked After, increased foster care allowances and agency staff costs. These have partly been offset by £0.9 million of reductions in other service budgets. The shortfall of £4.4 million against agreed budget savings are described in para 5.2.

The Budget, and the progress on delivery of change, is reviewed at Directorate Senior Leadership Team meetings. With the Social Worker Progression Framework now implemented there is a rolling programme of recruitment to Social Work positions. Agency costs and placements have been reviewed and are reducing following the implementation of the new framework. A Project Group meets to review numbers and plans for Children Looked After, initiatives to develop work with adolescents and to reduce agency fostering / residential care.

#### 4.2.5 Leisure Services

A budget variation of £0.4 million is currently forecast relating to slippage against the leisure review saving. Further areas to offset this shortfall are being investigated.

#### 4.2.6 Public Health

Following the recent budget announcement by the Chancellor of the Exchequer, it is likely that there will be an in year reduction in the Health Budget which could see a reduction of up to £2.4 million in the Public Health grant. Officers are currently identifying mitigating actions to compensate for this reduction.

### 5 IMPLEMENTATION OF SAVINGS

- 5.1 The delivery of agreed savings is key to the Council's financial health and is tracked at both Council and Directorate level. The Budget for 2015/16 included £38 million of efficiency measures. It was recognised that the delivery of savings, particularly within Adults and Children's Services was challenging being more of a transformational / change nature. In determining the level of General Fund balances the risk of slippage / non-delivery was assessed at £7.2 million.

#### Budget Implementation Plan 2015/16 (£000's)

BRAG	Number of Options	Approved Budget Reduction	Amount Delivered at Q1	To be Delivered
B - delivered	6	6,785	6,785	0
G – on track	7	2,770	1,730	1,040
A - concerns	9	8,359	160	8,199
R - high risk/ not achieved	6	4,011	0	4,011
<b>Total at Quarter 1 2015-16</b>	<b>28</b>	<b>21,925</b>	<b>8,675</b>	<b>13,250</b>

- 5.2 The savings tracker contains an assessment of the 2015/16 savings. The forecast position includes overspends from the red rated savings. Within the amber rated projects a number will be delivered by the end of 2015/16 but will not fully deliver in year. Overall the latest projections indicate that over £14.3 million of the planned £21.9m savings will be achieved with a £7.6 million shortfall.

#### Shortfall against the 2015/16 target

Adult Social Services Savings	Reasons for Delay	£m
Extra Care Housing	A key housing provider withdrew and the department is now looking for alternative providers and potential sites. This delay also links to slippage in Capital Programme. The full saving will slip in to 2016/17.	1.3
Girtrell Court shared service	Working with a partner provider to agree a service specification prior to implementing the capital works	0.3

	(included in the Capital Programme). The scheme will slip in to 2016/17.	
Cost of Care	Care service projected expenditure exceeds the budget, meaning the proposed saving will not be delivered in 2015/16. Work by the Directorate to address the pressures and deliver the savings for 2016/17 is on-going.	0.5
Day Services	The new company has been established during 2015/16. It is anticipated that 50% of day service savings are deliverable in year with the balance in 2016/17.	0.5
Continuing Health Care Appeals	This process involves negotiations on individual cases. Although progress has been made it is not as anticipated. The saving is only partially deliverable in 2015/16.	0.2

<b>Children &amp; Young People</b>	<b>Reasons for Delay</b>	<b>£m</b>
Specialist Services	Numbers of Children Looked After are not reducing significantly. High cost residential and foster care placements have increased. The projected overspend in these areas makes the saving unachievable in 2015/16. This should however still be deliverable over a longer timeframe given the structural changes that are now in place.	1.4
All Age Disability Service	The savings will be delivered but the timescales to implement mean the full £0.6 million will not be achieved this year.	0.4
Transport	Whilst numbers of Children & Adults receiving transport have reduced this saving will not be delivered without a full strategic review of Transport.	1.0
Children's Centres	Proposals been approved by Cabinet in July. The savings will be delivered in full from early 2016 however there will be a shortfall in year.	1.2
Central Strategic services	Proposals to amend internal structures and policies are still to be developed and will slip to 2016/17.	0.4
<b>Leisure Review</b>	Work continues on options to deliver the £1 million saving for 2015/16 including alternative provision. There is a projected shortfall this year.	0.4

<b>Total Savings Slippage</b>	<b>7.6</b>
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### 5.3 Recommended actions to cover the shortfall in 2015/16

<b>Use of</b>	<b>£m</b>
Families & Wellbeing Reserve Established from the early delivery of savings by the Directorate in 2013/14 and held to meet potential shortfalls in delivery in future years	3.4
General Fund balances Balances included £7.2 million against a risk of non-delivery of savings, part of this sum will be used to meet the balance of the shortfall	4.2
<b>Total</b>	<b>7.6</b>

5.4 The Directorates will work to identify compensatory savings which will be reported to Cabinet as part of future monitoring reports. Any savings will be used to replenish General Fund balances.

## 6 PERFORMANCE AGAINST CAPITAL BUDGETS QUARTER 1 (APRIL-JUNE 2015)

### 6.1 Capital Programme 2015/16 at end of Quarter 1 (30 June)

	<b>Capital Strategy</b>	<b>Revisions Since Budget Cabinet</b>	<b>Revised Capital Programme</b>	<b>Actual Spend June 2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Families – Children	8,517	2,337	10,854	1,054
Families – Adults	8,263	-2,446	5,817	213
Families – Sport & Rec	1,865	1,725	3,590	581
<b>Total expenditure</b>	<b>18,645</b>	<b>1,616</b>	<b>20,261</b>	<b>1,848</b>

### 6.2 Children and Young People

This area of the Programme includes investment in Schools which is mainly funded by Government Grant. Grant announcements have been made for the period 2015 - 2018. This 3 year allocation will assist in the programming of school projects.

Building works are planned alongside schools and where possible arranged outside term-times. This will impact the phasing of spend and often requires programme revisions to be made.

A design framework is being developed to allow the use of external architects, mechanical and electrical engineers and cost surveyors. This will enable schemes to progress in partnership with the LA design team and Asset Management.

The progress on specific schemes is as follows:

Woodslee Primary School scheme [£550,000] is nearing completion replacing the nursery and creating a new library/resource area.

Fender Primary School scheme to create two additional classrooms and internal remodelling [£600,000] is now on site and progressing well, with anticipated completion October 2015.

Stanley Special School scheme [£750,000] to further develop two classrooms and external remodelling to enable the school to receive additional pupils places to be ready for September 2016.

Legal documentation has been drafted between OnSide Youth Zones and Hill Dickenson and competitive tendering undertaken for the building works in respect of the Youth Zone. A planning application has been made. To date approximately £5m of the overall £6m funding required has been secured. The Council's contribution to the scheme is more likely to be drawn down during 2016/17.

### **6.3 Adult Social Services**

The Integrated Case Management System (Liquidlogic) went live during September 2014. The next phase of the project will see the procurement and implementation of additional modules relating to the citizen and provider portals. Implementation will support the delivery of some Care Act responsibilities this year. £500,000 has been committed in the year to date. Additional modules and implementation costs may increase the committed spend.

Transformation of Day Services is ongoing. Plans for implementation have been delayed slightly resulting in some of the capital works slipping to next year.

### **6.4 Sport and Recreation**

The programme for the year involves £3.6 million of investment across a range of Leisure facilities.

West Kirby Concourse – phase 1 – creation of the new fitness suite is complete and open to all user groups. There are some delays with phase 2, which includes remodelling of other areas of the building and completion is now expected during September.

## **7 RELEVANT RISKS**

7.1 There are none relating to this report.

## **8 OTHER OPTIONS CONSIDERED**

8.1 All options to improve the monitoring and accuracy of budgets will be considered.

## **9 CONSULTATION**

9.1 No consultation has been necessary in relation to this report.

## **10 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

10.1 There is an ongoing requirement to identify actions to mitigate the forecast overspend.

## **11 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

11.1 There are no implications arising directly from this report.

## **12 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS**

12.1 In respect of the Revenue Budget the Families and Wellbeing Directorate is projecting a £4.4m over spend as at the 30 June 2015.

## **13 LEGAL IMPLICATIONS**

13.1 There are no implications arising directly from this report.

## **14 EQUALITIES IMPLICATIONS**

14.1 The report is for information and there are no direct equalities implications at this stage.

## **15 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

15.1 There are no implications arising directly from this report.

## **16 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

16.1 There are no implications arising directly from this report.

## **17 RECOMMENDATIONS**

17.1 Members are requested to review the information presented to determine if they have any specific questions relating to the budget for the Families and Wellbeing Directorate.

## **18 REASONS FOR THE RECOMMENDATIONS**

18.1 To ensure Members have the appropriate information to review the budget performance of the directorate.

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## APPENDICES

Extracted from the Capital Monitoring report to Cabinet on 27 July 2015:-  
Annex 1 Revised Capital Programme and Funding 2015/16

## SUBJECT HISTORY

<b>Council Meeting</b>	<b>Date</b>
Monthly financial monitoring reports for Revenue and Capital have been presented to Cabinet since September 2012.	

## Annex 1 Revised Capital Programme

	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/ Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
<b><i>Families and Wellbeing - CYP</i></b>						
Elleray Park Special School redevelopment	<b>850</b>	198	850	-	-	<b>850</b>
School remodelling and additional classrooms (Primary Places)	<b>2,050</b>		1,800	-	250	<b>2,050</b>
Condition/Modernisation	<b>4,658</b>	397	-	-	4,658	<b>4,658</b>
Basic Need allocation	<b>1,897</b>	66	-	-	1,897	<b>1,897</b>
PFI	<b>150</b>	-	-	150	-	<b>150</b>
Children's centres	<b>53</b>	-	-	-	53	<b>53</b>
Aiming Higher	<b>24</b>	53	-	-	24	<b>24</b>
Youth Capital	<b>149</b>		98	-	51	<b>149</b>
Birkenhead High Girls Academy	<b>80</b>	157	-	69	11	<b>80</b>
Funding for 2 year olds	<b>18</b>	-	-	-	18	<b>18</b>
Universal Free School Meals	<b>209</b>	-	-	-	209	<b>209</b>
Somerville Mobile Replacement	<b>366</b>	134	366	-	-	<b>366</b>
Family Support Scheme	<b>200</b>	49	200	-	-	<b>200</b>
Stanley Special School - additional classrooms, medical/hygiene provision	<b>150</b>	-	150	-	-	<b>150</b>
	<b>10,854</b>	<b>1,054</b>	<b>3,464</b>	<b>219</b>	<b>7,171</b>	<b>10,854</b>

<b>Families and Wellbeing - DASS</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
Citizen and Provider Portal for Social and Health Services	617	-	-	-	617	617
Transformation of Day Service	1,115	90	500	-	615	1,115
Integrated IT	1,085	123	1,000	-	85	1,085
Community Intermediate Care Services	1,000	-	-	-	1,000	1,000
Integrated Social Care and Health Learning Disability Service - Girtrell Court	2,000	-	2,000	-	-	2,000
	<b>5,817</b>	<b>213</b>	<b>3,500</b>	<b>-</b>	<b>2,317</b>	<b>5,817</b>

<b>Families and Wellbeing - Sports &amp; Recreation</b>	<b>Revised Programme £000</b>	<b>Spend to Date £000</b>	<b>Council Resources £000</b>	<b>Revenue/Reserves £000</b>	<b>Grants £000</b>	<b>Total Funding £000</b>
West Kirby Concourse Fitness Suite	112	-	112	-	-	112
Guinea Gap 3G Football pitches	99	-	99	-	-	99
West Kirby/Guinea Gap/Europa Pools	2,024	581	2,024	-	-	2,024
Refurb of Artificial Turf Pitch & perimeter fence repairs at the Tennis & Sports Centre	240	-	240	-	-	240
West Kirby Marine Lake – Integrated accommodation and service delivery	690	-	690	-	-	690
Bidston Tennis Centre re-roofing	425	-	425	-	-	425
	<b>3,590</b>	<b>581</b>	<b>3,590</b>	<b>-</b>	<b>-</b>	<b>3,590</b>